

ESTTA Tracking number: **ESTTA167271**

Filing date: **10/08/2007**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92046637
Party	Plaintiff MATTRESS FIRM INC.
Correspondence Address	ANTHONY F. MATHENY BRACEWELL & GIULIANI LLP P.O. BOX 61389 HOUSTON, TX 77208-1389 UNITED STATES anthony.matheny@bgllip.com
Submission	Opposition/Response to Motion
Filer's Name	John F. Luman III
Filer's e-mail	john.luman@bgllip.com, diana.alday@bgllip.com, andrew.zeve@bgllip.com
Signature	/John F. Luman III/
Date	10/08/2007
Attachments	Mattress Firm Response to Motion for Judgment.pdf (20 pages)(1411892 bytes) Mattress Firm Order to Response to Motion for Judgment.pdf (1 page)(74577 bytes)

In the Matter of
Cancellation No. 92046637
Of Registration No. 3088627
For Mark **BUY IT TODAY,
SLEEP ON IT TONIGHT**



Registrant's Motion for Judgment based on Petitioner's failure to prosecute is a motion brought in bad faith. Not only has Registrant violated representations relied upon by Petitioner, but Registrant's Motion also fails to present material information to the Board. Indeed, Registrant's Motion states only that the parties were in settlement negotiations and that Petitioner failed to timely introduce evidence or seek an extension of the testimony period. Registrant intentionally omits to inform the Board that the parties agreed to extend the testimony period if a settlement could not be reached, and that the parties' settlement fell apart the day Registrant filed its Motion. Thus, Petitioner's failure to seek discovery and enter evidence into the record was

done in reliance upon Registrant's promise to extend the testimony period if a settlement could not be reached. In an act of egregious bad faith, Registrant has rejected the settlement and immediately filed this Motion to Dismiss rather than abide by its promise to extend the testimony period. This act of bad faith should not be rewarded.

BACKGROUND

The emails attached to Registrant's Motion represent only a portion of the communications between the parties. Indeed, the emails attached to Registrant's Motion include several emails from late August through early September, but the parties were communicating regarding settlement and extending discovery deadlines as early as June.

On June 29, 2007, Registrant granted Petitioner a three-week extension to respond to discovery in order to "discuss settlement possibilities." *See* email correspondence from June 29, 2007 through July 9, 2007, attached hereto as Exhibit 1. On July 9, 2007, the parties continued to discuss the possibility of settlement. *See id.* The emails contained in Exhibit 1 were not provided to the Board by Registrant when it filed the Motion to Dismiss.

Nearly a month later, Registrant's attorney claimed he was unable to contact his client regarding settlement, and Petitioner was granted another three-week extension to respond to discovery. *See* email dated July 30, 2007, attached hereto as Exhibit 2. Registrant reiterated that "I continue to think that some sort of resolution is possible." *Id.* The emails contained in Exhibit 2 were not provided to the Board by Registrant when it filed the Motion to Dismiss.

On August 10, 2007, counsel for Registrant informed Petitioner that he still had not been able to reach his client regarding settlement. *See* email chain beginning August 10, 2007, attached hereto as Exhibit 3. On August 15, 2007, Registrant and Petitioner agreed to another three-week extension for Petitioner to respond to discovery. Moreover, with the impending close of Petitioner's testimony period, the parties agreed to jointly file a new scheduling order if a

settlement could not be reached. See Affidavit of John Luman, III, attached as Exhibit 4; see also Exhibit 3. The emails contained in Exhibit 3 were not provided to the Board by Registrant when it filed the Motion to Dismiss.

On August 29, 2007 (four days before the close of Petitioner's testimony period), counsel for Registrant emailed Petitioner and indicated that he had finally reached his client, who was interesting in resolving this matter. Registrant offered to suspend the proceedings (thereby avoiding the close of Petitioner's testimony period). See email chain beginning August 29, 2007, attached hereto as Exhibit 5. The parties were close to having the matter resolved, but on September 27, 2007, Registrant sent Petitioner a letter indicating that it refused to settle this dispute and that it had filed the Motion to Dismiss.

On September 20, counsel for Petitioner again spoke on the phone with counsel for Registrant to discuss settlement. See Luman Affidavit, Exhibit 4. The parties again agreed that if they could not settle this matter then the parties would submit a joint motion to enter a new scheduling order. *Id.* Registrant therefore twice promised that it would extend the testimony period if a settlement could not be reached.

Thus, despite its promise and representation to extend the testimony period if a resolution could not be reached, Registrant delayed for months and now seeks dismissal. Registrant's conduct represents bad faith and unprofessional conduct which should not be rewarded.

ARGUMENT

As noted in Registrant's Motion, the Motion to Dismiss can only be granted where Petitioner fails to take testimony or offer evidence during its testimony period, and cannot establish good cause why judgment should not be rendered. See Motion at 1. Thus, if Petitioner can establish that there is good cause for its failure to submit evidence, the Motion to Dismiss should be denied. Likewise, Petitioner's Motion to Reopen and Extend Testimony Period should

be granted where Petitioner demonstrates its failure to introduce evidence is due to excusable neglect. *See Hewlett Packard Co. v. Olympus Corp.*, 931 F.2d 1551 (Fed. Cir. 1991).

In this case, Petitioner has good cause why judgment should not be rendered as Petitioner's failure to introduce evidence was due to excusable neglect. "Excusable neglect" is defined as:

Failure to take proper steps at the proper time, not in consequence of the party's own carelessness, inattention, or willful disregard of the process of the court, but in consequence of some unexpected or unavoidable hindrance or accident, or reliance on the care and vigilance of his counsel, or on promises made by the adverse party.

Id. (quoting *Hewlett-Packard Co. v. Olympus Corp.*, Opposition No. 77,043, slip op. at 3 (TTAB April 10, 1990))(emphasis added).

Petitioner did not enter evidence or request an extension of the testimony period because counsel for Registrant specifically promised on at least two occasions that Registrant would agree to extend the testimony period if a settlement could not be reached. *See* Exhibits 3 and 4. Indeed, Registrant represented as early as July that it desired to resolve this matter. It granted Petitioner repeated extensions for responding to discovery because the parties were attempting to settle the case; it repeatedly represented that it desired to settle this matter; and it promised to extend deadlines if settlement could not be reached. Under these circumstances Petitioner relied on the actions and promises of counsel in not seeking a motion to extend its testimony period during settlement negotiations, particularly where counsel for Registrant promised it would agree to extend the testimony period if negotiations failed.

This is not a case of Petitioner willfully disregarding its obligations or being careless. Instead, this is a case in which counsel for Petitioner relied on the promise of counsel for Registrant. Rather than ethically abiding by the promise made to opposing counsel, counsel for Petitioner instead strung out settlement negotiations (allegedly unable to get in touch with his

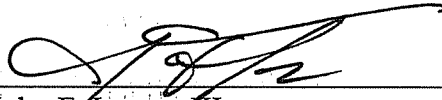
client for weeks at a time) until after the testimony period closed, then filed this Motion to Dismiss without presenting the Board with all of the facts and evidence. Such gamesmanship is unbecoming of someone registered to practice before the Board and should not be rewarded.

Because Petitioner's failure to introduce evidence is based on excusable neglect—relying on promises of opposing counsel—the Board should grant Petitioner's Motion to Reopen and Extend Testimony Period and deny Registrant's Motion to Dismiss.

CONCLUSION

For the reasons set forth above, Petitioner respectfully requests the Board deny Registrant's Motion to Dismiss and grant Petitioner's Motion to Reopen and Extend Testimony Period. Petitioner further requests all such other relief to which it may be justly entitled.

Respectfully submitted,



John E. Luman III
TBA No. 00794199
Andrew W. Zeve
TBA No. 24042209

BRACEWELL & GIULIANI LLP
711 Louisiana Street, Suite 2300
Houston, Texas 77002-2770
713/223-2300 [telephone]
713/221-1212 [facsimile]

ATTORNEYS FOR PETITIONER,
MATTRESS FIRM, INC.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document was electronically submitted on the 8th day of October, 2007 to the United States Patent and Trademark Office and has been forwarded to all counsel of record via first class mail pursuant on the 8th day of October, 2007.

Michael G. Frey
Greenebaum Doll & McDonald PLLC
2800 Chemed Center
255 East Fifth Street
Cincinnati, Ohio 45202



John F. Luman III

EXHIBIT 1

Luman, John

From: Frey, Michael G. [MGF@GDM.com]
Sent: Monday, July 09, 2007 2:36 PM
To: Luman, John
Subject: RE: Mattress Firm v. Living Spaces Cancellation

I wasn't able to talk with my client last week. However, if you'd like to share your thoughts on settlement, we can talk and I can discuss them with my client when we do touch base.

From: Luman, John [mailto:John.Luman@bglip.com]
Sent: Monday, July 09, 2007 3:34 PM
To: Frey, Michael G.; Zeve, Andrew
Cc: Giles, Penny L.
Subject: RE: Mattress Firm v. Living Spaces Cancellation

Thanks for the extension. Are we still on for today?

From: Frey, Michael G. [mailto:MGF@GDM.com]
Sent: Friday, June 29, 2007 1:47 PM
To: Luman, John; Zeve, Andrew
Cc: Giles, Penny L.
Subject: Mattress Firm v. Living Spaces Cancellation

John:

We agree to a three-week extension for you to respond to discovery in the Mattress Firm v. Living Spaces cancellation proceeding. We trust, should we have a similar need for additional time to take action during this proceeding, that you will extend the same courtesy to us.

Further, as we discussed, I hope to be in contact with my client within the next week so that we can discuss settlement possibilities in more detail when we talk on July 9.

Very truly yours,
Michael G. Frey
Greenebaum Doll & McDonald PLLC
2800 Chemed Center
255 East Fifth Street
Cincinnati, Ohio 45202-4728
Phone: 513-455-7678
E-Mail: mgf@gdm.com

The following warning is required by the IRS whenever tax advice is given. If this email contains no direct or indirect tax advice, the warning is not applicable.

As a result of perceived abuses, the Treasury has recently promulgated Regulations for

9/27/2007

practice before the IRS. These Circular 230 regulations require all attorneys and accountants to provide extensive disclosure when providing certain written tax communications to clients. In order to comply with our obligations under these Regulations, we would like to inform you that since this document does not contain all of such disclosure, you may not rely on any tax advice contained in this document to avoid tax penalties, nor may any portion of this document be referred to in any marketing or promotional materials.

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EXHIBIT 2

Luman, John

From: Frey, Michael G. [MGF@GDM.com]
Sent: Monday, July 30, 2007 8:56 AM
To: Luman, John
Subject: Mattress Firm v. Living Spaces

John:

I have not yet been able to speak with our client regarding the possibility of settlement. I continue to think that some sort of resolution is possible; I just haven't been able to speak to the client about it. Because of this delay, we are willing to grant you another three week extension to respond to the outstanding discovery requests.

Very truly yours,
Michael G. Frey
Greenebaum Doll & McDonald PLLC
2800 Chemed Center
255 East Fifth Street
Cincinnati, Ohio 45202-4728
Phone: 513-455-7678
E-Mail: mgf@gdm.com

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EXHIBIT 3

Luman, John

From: Luman, John
Sent: Wednesday, August 15, 2007 10:51 AM
To: 'Frey, Michael G.'
Cc: Shufflebarger, Carrie A.
Subject: RE: Mattress Firm v. Living Spaces

Carrie

Pursuant to our telephone call today, we agreed to move Mattress Firm's discovery response date back another 3 weeks, from August 21 to September 11. We both recognize that all of the dates on the scheduling order will need to be moved back if the parties do not settle. We agreed to jointly file with the Trademark Office a new scheduling order if we cannot resolve the case in the next few weeks.

If you have any questions, please do not hesitate to call.

John

John F. Luman III | Partner | Bracewell & Giuliani LLP
711 Louisiana Street, Suite 2300 | Houston, Texas | 77002-2770
T: 713.221.1596 | F: 713.437.5398
john.luman@bgllp.com | www.bgllp.com

From: Frey, Michael G. [mailto:MGF@GDM.com]
Sent: Friday, August 10, 2007 1:17 PM
To: Luman, John
Cc: Shufflebarger, Carrie A.
Subject: FW: Mattress Firm v. Living Spaces

John:

An error in my e-mail below. Carrie's number is actually 513-455-7604. I apologize for any confusion.

Very truly yours,
Michael G. Frey
Greenebaum Doll & McDonald PLLC
2800 Chemed Center
255 East Fifth Street
Cincinnati, Ohio 45202-4728
Phone: 513-455-7678
E-Mail: mgf@gdm.com

From: Frey, Michael G.
Sent: Friday, August 10, 2007 1:58 PM
To: Luman, John
Cc: Shufflebarger, Carrie A.
Subject: Mattress Firm v. Living Spaces

John:

9/27/2007

Further to your voice mail message, I, unfortunately, do not yet have instructions from my client regarding potential settlement terms for the cancellation proceeding. Again, we continue to have bad luck in trying to connect to discuss the issue.

Further complicating matters, I will be out of the office next week, and will have only limited access to e-mail while away. If you need to speak to someone in my absence, please contact my colleague, Carrie Shufflebarger. Her direct line is 513-455-4216.

Very truly yours,
Michael G. Frey
Greenebaum Doll & McDonald PLLC
2800 Chemed Center
255 East Fifth Street
Cincinnati, Ohio 45202-4728
Phone: 513-455-7678
E-Mail: mgf@gdm.com

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9/27/2007

EXHIBIT 4

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the Matter of
Cancellation No. 92046637
Of Registration No. 3088627
For Mark **BUY IT TODAY,
SLEEP ON IT TONIGHT**

MATTRESS FIRM, INC.,

Petitioner,

vs.

LIVING SPACES FURNITURE, LLC,

Registrant,

Cancellation No. 92046637

AFFIDAVIT OF JOHN F. LUMAN III

THE STATE OF TEXAS

COUNTY OF HARRIS

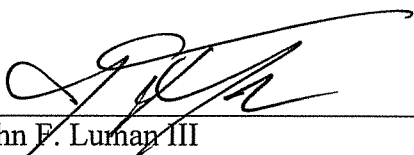
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BEFORE ME, the undersigned authority, on this day personally appeared John F. Luman III, a person known to me, who being duly sworn, did depose and say:

1. My name is John F. Luman III. I am over the age of 21 and have never been convicted of a crime involving moral turpitude. I am lead counsel for Mattress Firm, Inc., and as such I am authorized and competent to make this Affidavit. I have personal knowledge of the facts set forth in this Affidavit, and these facts are true and correct within my personal knowledge.
2. In an August 15, 2007 phone call with opposing counsel Carrie Shufflebarger, the parties agreed that if a settlement could not be reached, the parties would agree to extend all relevant deadlines and jointly file a request for a new scheduling order. After this conversation, I emailed Ms. Shufflebarger to memorialize our conversation, and this email is attached to Petitioner's brief as Exhibit 3. Neither Ms. Shufflebarger nor Michael Frey (lead counsel for Registrant) ever called or emailed me to inform me that my email confirming our agreement was incorrect.
3. On September 20, I spoke on the phone with Mr. Frey, and we again discussed settlement. Mr. Frey and I renewed the agreement I made with Ms. Shufflebarger: Mr. Frey agreed that if we could not settle this matter then the parties would submit a joint motion to enter a new scheduling order.

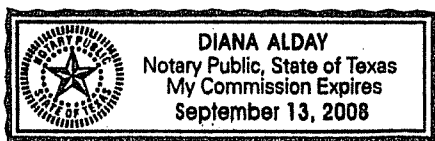
4. I relied on the promises of opposing counsel in not seeking discovery or other evidence, and I also relied on these promises in not filing a motion to suspend the proceedings or enlarge the testimony period. Because I was repeatedly told the parties believed the case could be settled, I saw no reason to run up litigation costs for both parties. Had opposing counsel not promised (on more than one occasion) to agree to a new scheduling order if the case could not be settled, I would have either introduced evidence or filed a motion to extend the testimony period, or both.

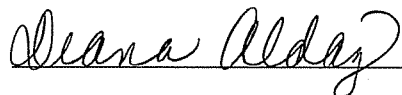
5. Petitioner's decision not to introduce testimony was not done out of carelessness, inattention, or willful disregard. Instead, the decision was based upon the express promises made by opposing counsel to enlarge the testimony period if the case could not be settled.



John F. Luman III

SUBSCRIBED AND SWORN TO BEFORE ME on this 8 th day of October, 2007.





Notary Public in and for the State of Texas

EXHIBIT 5

Frey, Michael G.

From: Luman, John [John.Luman@bgllp.com]
Sent: Thursday, August 30, 2007 1:17 PM
To: Frey, Michael G.
Subject: RE: Mattress Firm v. Living Spaces

Michael

Thanks for your email. My client contact is on vacation until next week. I will get back with you after speaking with her.

John

John F. Luman III | Partner | Bracewell & Giuliani LLP
711 Louisiana Street, Suite 2300 | Houston, Texas | 77002-2770
T: 713.221.1596 | F: 713.437.5398
john.luman@bgllp.com | www.bgllp.com

From: Frey, Michael G. [mailto:MGF@GDM.com]
Sent: Wednesday, August 29, 2007 10:20 AM
To: Luman, John
Subject: Mattress Firm v. Living Spaces

John:

I have finally had the opportunity to discuss settlement options with representatives of my client. I can report that Living Spaces is indeed open to settling this matter through some type of coexistence agreement.

[Redacted material related to settlement discussions]

If your client has an alternate proposal regarding coexistence, please let me know the particulars so that I can discuss them with Living Spaces.

Finally, in light of the upcoming deadlines in the proceeding, I suggest that we suspend the

9/27/2007

opposition to allow the parties time to negotiate toward an acceptable agreement. If your client is agreeable, we can then work out the specifics of the suspension, scheduling order and discovery response deadline.

Very truly yours,
Michael G. Frey
Greenebaum Doll & McDonald PLLC
2800 Chemed Center
255 East Fifth Street
Cincinnati, Ohio 45202-4728
Phone: 513-455-7678
E-Mail: mgf@gdm.com

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9/27/2007

In the Matter of
Cancellation No. 92046637
Of Registration No. 3088627
For Mark **BUY IT TODAY,
SLEEP ON IT TONIGHT**

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JUDGE PRESIDING